

# Suzlon Energy Limited

Investor Presentation  
Financial Year 2021

**SUZLON**  
POWERING A GREENER TOMORROW



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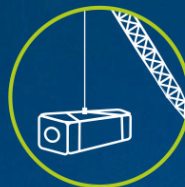
# Suzlon Overview

**SUZLON**  
POWERING A GREENER TOMORROW



**18,800+ MW**

Installed Wind Energy Capacity



**12,000+**

WTGs Installed



**No.1 in India's**

Renewable Sector



**5,450+**

Workforce



**1,800+**

Customers Globally



**~33%**

Cumulative Market share

# End to End Strategy Clearly Defined



**End to End Solution Provider for the entire life cycle of the Asset**

## Profitability : Steps to mitigate challenges

**Twin challenges arising out of low tariff and sharp increase in steel prices will have significant adverse impact on profitability**

**Organisation has undertaken proactive measures to mitigate the impact of this**

**COGS Reduction  
through Value  
Engineering**

**Reduced Manpower  
and OPEX due to re-  
organisation**

**Continuous LCOE  
Reduction through  
Technology**

**Reduced interest  
cost due to Debt  
Restructuring**

## Key Updates for FY21

- ✓ Continuity of orders from marquee customers demonstrate Suzlon's strength in product and technology - RR of 204MW done in FY21 ; order book of 817.1 MW as on 31<sup>st</sup> Mar'21
- ✓ Service business delivered good performance to customers despite Covid
- ✓ Successful completion of debt restructuring led to significant reduction in debt and interest cost
- ✓ Fixed Cost optimisation drive resulted in cost reduction
- ✗ High volume growth in Global Wind Energy Sector led to challenges in supply chain impacting components availability and price
- ✗ Execution related challenges arising out of COVID-19
- ✗ Steep increase in steel prices by 79.3% in last one year (From March'20- May'21) on one hand and low tariff for our customers on the other hand have adverse impact on the profitability

**Financial Performance**

Industry Outlook

Technology

Suzlon Strengths

Detailed Financials

## Q4 FY21 Financial Metrics

(₹ Cr.)

Particulars	Q4 FY21 Unaudited	Q4 FY20 Unaudited
Net Volume (MW)	95	11
Net Revenue	1,120	643
<b>Gross Profit</b>	<b>514</b>	<b>220</b>
<b>Gross Margin</b>	<b>45.9%</b>	<b>34.2%</b>
Employee Expenses	122	192
Other Expenses (net)	281	178
Exchange Loss / (Gain)	-85	217
<b>EBITDA</b>	<b>196</b>	<b>-367</b>
<b>EBITDA Margin</b>	<b>17.5%</b>	<b>-57.0%</b>
Depreciation	62	114
Net Finance Cost	190	337
Taxes	1	5
Share of (Profit) / Loss of Associates / JV	6	-0
<b>Net Profit (Pre Exceptional Items)</b>	<b>-53</b>	<b>-823</b>
Exceptional Loss / (Gain)	1	11
Net Profit (Post Exceptional Items)	-54	-834
Non Controlling Interest	3	-11
Net Profit attributable to Shareholders	-57	-824



## FY21 Financial Metrics

(₹ Cr.)

Particulars	FY21 Audited	FY20 Audited
Net Volume (MW)	204	59
Net Revenue	3,295	2,933
<b>Gross Profit</b>	<b>1,717</b>	<b>1,060</b>
<b>Gross Margin</b>	<b>52.1%</b>	<b>36.1%</b>
Employee Expenses	553	796
Other Expenses (net)	625	686
Exchange Loss / (Gain)	4	437
<b>EBITDA</b>	<b>534</b>	<b>-860</b>
<b>EBITDA Margin</b>	<b>16.2%</b>	<b>-29.3%</b>
Depreciation	258	419
Net Finance Cost*	976	1,340
Taxes	5	7
Share of (Profit) / Loss of Associates / JV	3	-0
<b>Net Profit (Pre Exceptional Items)</b>	<b>-702</b>	<b>-2,626</b>
Exceptional Loss / (Gain)	-805	66
Net Profit (Post Exceptional Items)	104	-2,692
Non Controlling Interest	1	-50
Net Profit attributable to Shareholders	103	-2,642

## Wind Order Book (as at 31<sup>st</sup> Mar, 2021)

Particulars	Capacity (MW)	Remarks
Central Auctions	632.1	All orders are backed by signed PPAs. The order book comprises of orders from marquee customers such as Adani group and Enel Group.
State Auctions/PSU	71.4	
Captive/Retail	113.6	
Wind Firm Order Book	817.1	
Value of Order Book (Gross)	INR 4,715 Cr	
<div><div><div></div></div><div>SE Forge Ltd and Service orders over and above this order book</div></div>		

In Q1 FY22, Suzlon received an order of 252 MW from CLP with a gross order value of INR 1,423 Cr

Financial Performance

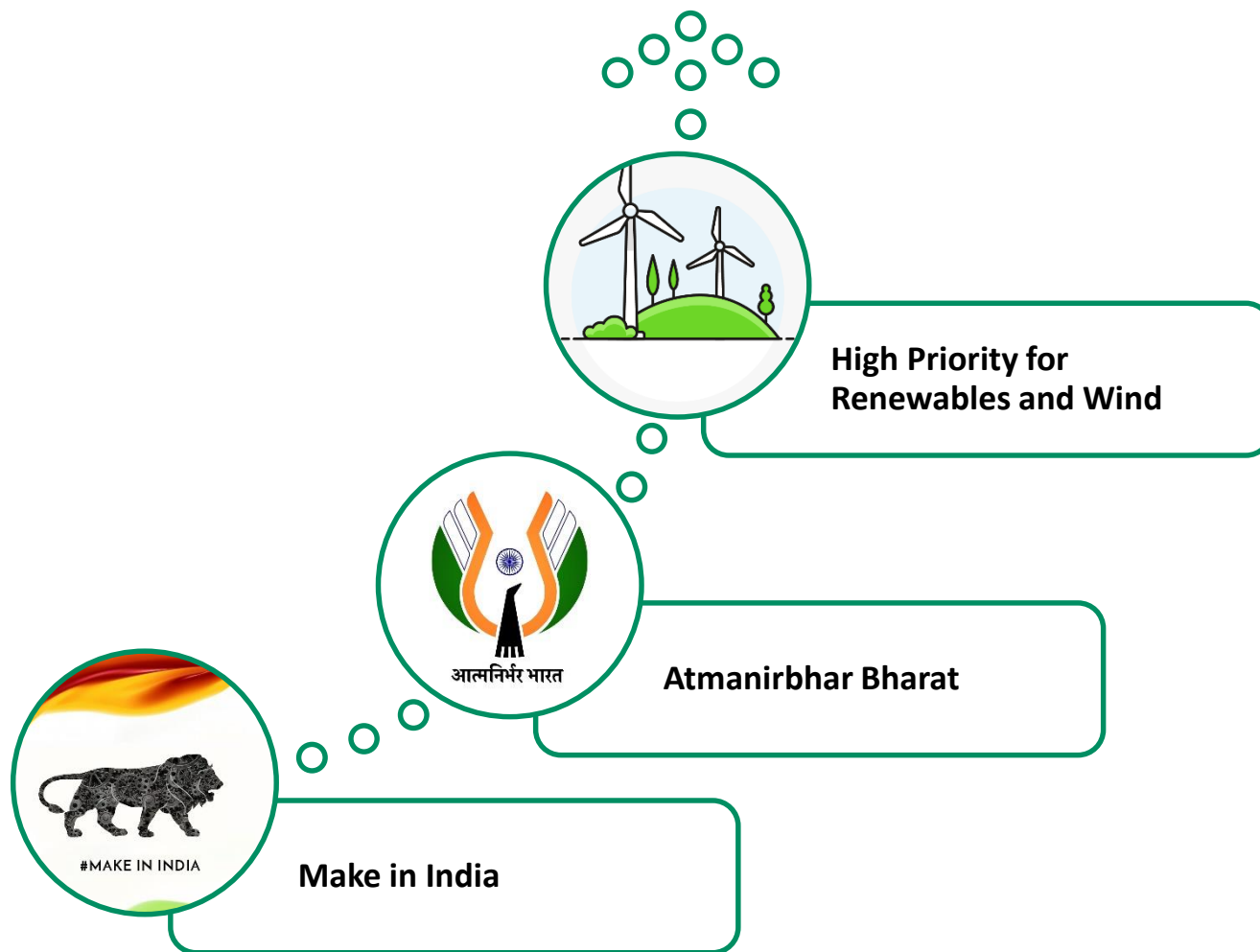
**Industry Outlook**

Technology

Suzlon Strengths

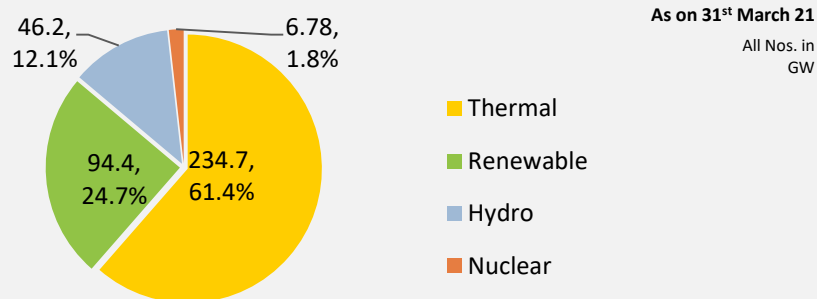
Detailed Financials

## Enhanced Government Focus

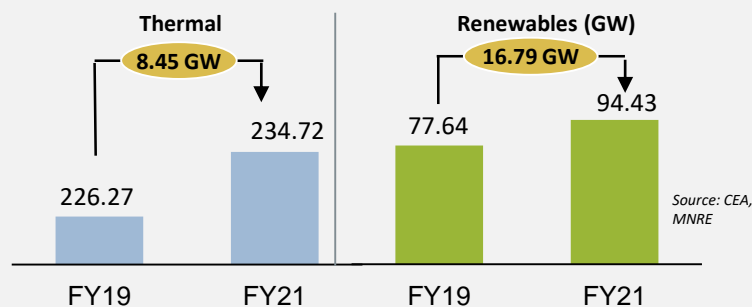


# Renewables driven by Wind & Solar have begun to outstrip Thermal power installations

## Renewables (Wind and Solar) is already 2nd largest source of power



## In last 2 years, Renewables installation is > than Thermal sources



## Renewables helping the country to be ATMANIRBHAR in power supply

- Renewables power sources ensure Power Security
- Government has strong commitment towards pushing growth of Renewables
- Renewables have also achieved grid parity and not totally dependent on favourable policies for competing with conventional power tariffs

Parameter	Conventional	Solar	Wind
PLF	60-70%	~18-24%	~38-42%
Equipment	Domestic / Imported	Largely Imported	"Made in India"
Fuel	Domestic / Imported	No Fuel Cost	No Fuel Cost
Tariff Stability	Variable	Constant for 25 years	Constant for 25 years

## Renewable Energy steadily becoming dominant in Power basket

### Opportunities :

Future Drivers for Renewable Industry growth in India

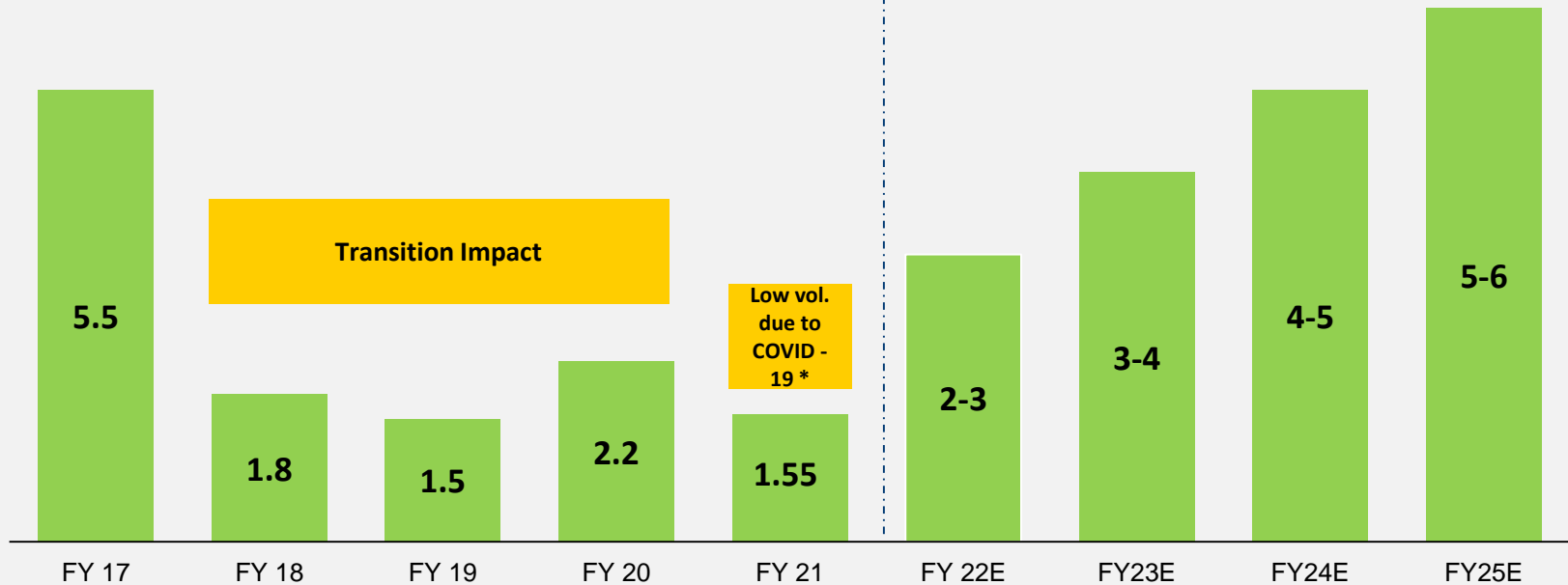
Government plans to bid out 100 GW of Wind capacity in next 5 years

RTC and Hybrid projects are next big thing in which Wind is an essential part – GOI has increased minimum share of any component in Hybrid projects to 33% from existing 25%

## Estimated Wind Installation forecast

### Indian Wind Market: Historical and Projected Commissioning Volumes

COD Volumes in GW



\*Comments:

- 1) Suzlon did commissioning of 79.8MW
- 2) Current manufacturing capacity of wind components in India is 10GW
- 3) Estimates of FY22 depend on how COVID-19 will pan out during the year

## Key Industry Updates

### Policy updates

- National Electricity Policy revision draft under process
- GEDA (Gujarat) Wind Energy Policy draft under process
- MNRE issued OM mentioning that COVID-19 extension to be given for all projects scheduled after 1<sup>st</sup> Apr 2021 due to second wave.
- ISTS Charges Waiver extended till 30<sup>th</sup> June, 2025
- MoP has invited suggestions on the discussion paper for redesigning Renewable Energy certificates mechanism.
- MoP issued Electricity- Late Payment Surcharge Rules, 2021.
- APTEL has directed Central Electricity Authority to frame rules and guidelines related to Banking of Wind Energy Projects

### New Wind/Hybrid bids announced

S.NO.	Agency	Capacity MW
1	SECI RTC-II (RE+ Other sources with/without ESS)	2500
2	SECI HYBRID IV	1200
3	SECI XI	1200

## Key Industry Updates

### New Developments expected in FY22

- Government's notification of the Wind Park scheme. It will further encourage the deployment model of wind power projects going ahead. It will boost the confidence of investors leading to increase in wind capacity addition.

### Market updates

- A record 93 GW of new wind capacity was added globally in CY 2020 with 52.95% growth as compared to CY 2019, wherein majority i.e. 52.08 GW was added by China
- India added 1.50 GW of Wind power capacity in FY 20-21. Total wind capacity in India reaches to 39.2 GW.
- SECI X Tender concluded by SECI for 1200 MW Wind Power at tariff of INR 2.70.



## Challenges

- » Competitive bidding regime and reverse auction have led to low tariffs which in turn has squeezed OEM margins & IPP returns
- » Sharp increase in steel prices by 79.3% in last one year (From March'20- May'21)
- » Slow pace of power evacuation infra development
- » Supply chain issues due to globally high demand and also covid related disruptions
- » Execution challenges due to Covid

Financial Performance

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Detailed Financials

## Products Optimized for Market Demand

### **S111-140**

**2.1 MW**

Proto Commissioned

Aug'17

S111-140

~5-6%  
Higher Energy Yield

S111-120

### **S120-140**

**2.1 MW**

Proto

Status

Date

S120-105

Commissioned

Jun '18

S120-140

Commissioned

Dec'18

S120

~6-7%  
Higher Energy Yield

S111

### **S133-140**

**2.6 MW- 3.0 MW**

*(product series)*

Proto

Status

Date

S133-105

Commissioned

Aug '19

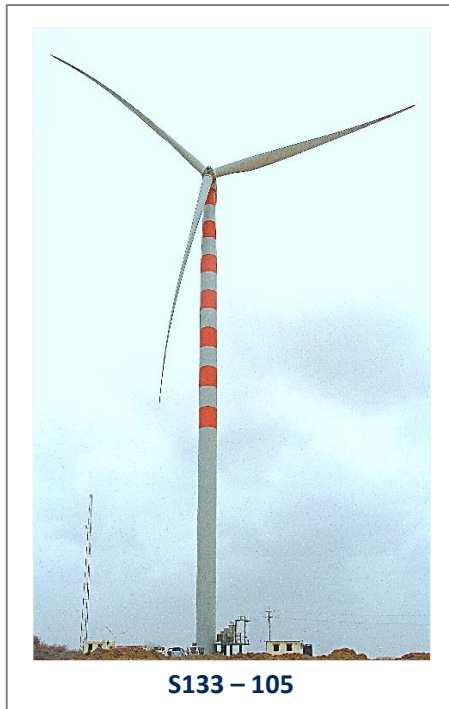
S133

~23-31%  
Higher Energy Yield

S120

# Product Development

**S133: New Product**



**SB 63 – Won SKOCH award for Corporate Excellence**



- ✓ S128 has already been listed in the RLMM list
- ✓ The testing is in progress for our next generation of blade – SB65 and wind turbine – S133
- ✓ S133 Turbine Model – Applied for RLMM Listing
- ✓ Multiple Tower Options (Hybrid Lattice, Steel Tubular)

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**Suzlon Strengths**

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## Suzlon's Strengths in Indian Wind Energy Market



**Full Turnkey Solution  
Provider**



**Pan India Presence**



**Technology Leadership**

**SUZLON**  
POWERING A GREENER TOMORROW



**Strong Customer Relationship**



**Best In Class Service  
Capabilities**



**25 Years Track Record**

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**End-to-end service provider with strong presence across value chain & customer segments**

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## Operations and Maintenance Services (OMS)



**13.95 GW**  
Under Service  
Globally



**9,472**  
Wind Turbines



**Value Added Products**  
Fire Suppression System,  
SC-Trinity, Quick Climb,  
Quick Sense



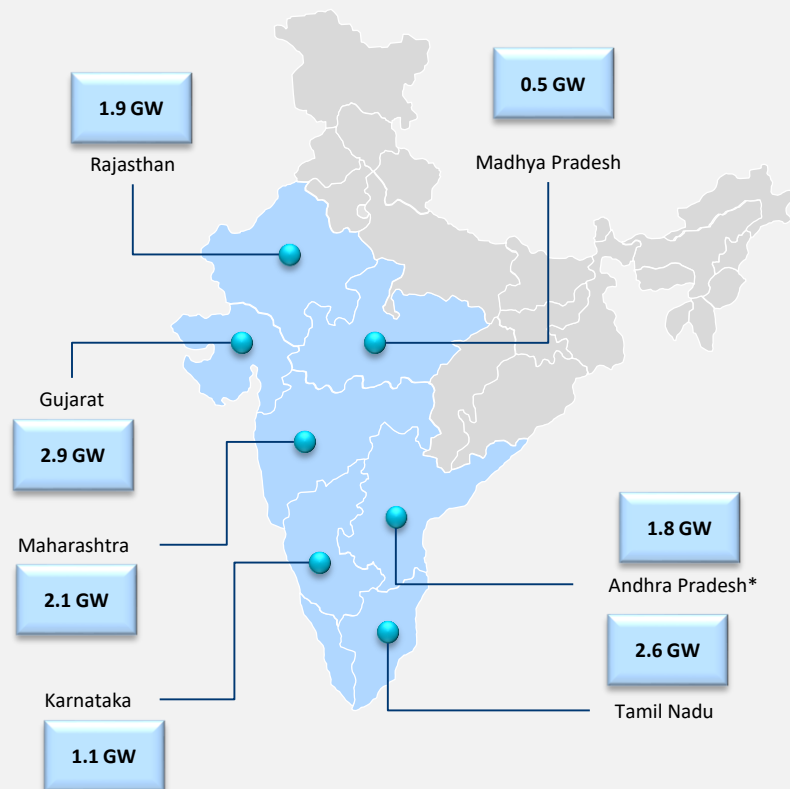
**>95%**  
Average Machine  
Availability

# Capabilities: OMS

## India fleet overview

### Largest fleet under Operation and Maintenance fold in India

MWs under service (as on 31<sup>st</sup> Mar 2021)



Notes:

\*Including Telangana : 1.5 GW in AP and 0.3 GW in Telangana

**Complete comprehensive OMS** including service & breakdown maintenance

**100%** of turbine sold by Suzlon within O&M fold

**~33%** All India installed Wind Capacity

**>1,800** customer relationships

**25 years** operating track record

Young fleet size with average **age of 11 years**

#### BOP Service Management:

- **203** Substations
  - 73 owned and maintained by Suzlon
- **3,000 Km.** EHV grid
- **10,000 Km.** HV grid feeders

#### Fleet under Operation and Maintenance fold in India (As on 31<sup>st</sup> March 2021)

(31 <sup>st</sup> Mar'20)	# of Turbines	MW
<= 1 MW	1,750	849
>1 MW < 2 MW	4,196	5,701
=>2 MW	3,035	6,361
<b>Total</b>	<b>8,981</b>	<b>12,911</b>

**Custodian of 3<sup>rd</sup> largest installed power capacity (from all sources) in India**



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# Consolidated Income Statement

(₹ Cr.)

Particulars	Q4 FY21 Unaudited	Q3 FY21 Unaudited	Q4 FY20 Unaudited	FY21 Audited	FY20 Audited
Revenue from operations	1,120	938	643	3,295	2,933
Less: COGS	606	480	423	1,577	1,874
<b>Gross Profit</b>	<b>514</b>	<b>457</b>	<b>220</b>	<b>1,717</b>	<b>1,060</b>
<b>Margin %</b>	<b>45.9%</b>	<b>48.8%</b>	<b>34.2%</b>	<b>52.1%</b>	<b>36.1%</b>
Employee benefits expense	122	131	192	553	796
Other expenses (net)	281	151	178	625	686
Exchange Loss / (Gain)	-85	40	217	4	437
<b>EBITDA</b>	<b>196</b>	<b>136</b>	<b>-367</b>	<b>534</b>	<b>-860</b>
<b>EBITDA (Pre-FX Gain / Loss)</b>	<b>111</b>	<b>176</b>	<b>-150</b>	<b>539</b>	<b>-423</b>
<b>Margin %</b>	<b>9.9%</b>	<b>18.7%</b>	<b>-23.2%</b>	<b>16.4%</b>	<b>-14.4%</b>
Less: Depreciation	62	57	114	258	419
<b>EBIT</b>	<b>134</b>	<b>79</b>	<b>-481</b>	<b>276</b>	<b>-1,278</b>
<b>EBIT (Pre-FX Gain / Loss)</b>	<b>49</b>	<b>119</b>	<b>-264</b>	<b>280</b>	<b>-841</b>
<b>Margin %</b>	<b>4.4%</b>	<b>12.7%</b>	<b>-41.0%</b>	<b>8.5%</b>	<b>-28.7%</b>
Net Finance costs	190	194	337	976	1,340
<b>Profit / (Loss) before tax and Exceptional Items</b>	<b>-56</b>	<b>-111</b>	<b>-818</b>	<b>-700</b>	<b>-2,618</b>
Less: Exceptional Items Loss / (Gain)	1	0	11	-805	66
Less: Share of (Profit) / Loss of Associates & JV	-6	7	0	-3	0
Less: Taxes	1	0	5	5	7
<b>Net Profit / (Loss) after tax</b>	<b>-54</b>	<b>-118</b>	<b>-834</b>	<b>103</b>	<b>-2,692</b>
Less: Non-Controlling Interest	3	-1	-11	-1	-50
<b>Net Profit Attributable to Shareholders</b>	<b>-57</b>	<b>-117</b>	<b>-824</b>	<b>104</b>	<b>-2,642</b>

# Financial Performance FY21

## Consolidated Balance Sheet

Amount in Rs. Crs.

Liabilities	Mar-21	Mar-20	Assets	Mar-21	Mar-20
Shareholders' Fund	-3,343	-10,983	<b>Non Current Assets</b>		
Non controlling interest	-58	-59	Property, plant and equipment	804	905
	<b>-3,401</b>	<b>-11,042</b>	Right-of-use assets	131	143
<b>Non-Current Liabilities</b>			Capital work-in-progress	104	110
<b>(a) Financial Liabilities</b>			Investment property	33	35
(i) Borrowings	6,027	842	Goodwill	8	8
(ii) Lease Liabilities	55	63	Other intangible assets	190	268
(iii) Other Financial Liabilities	22	28	Intangible assets under development	4	12
<b>(b) Provisions</b>	83	93	Investments in asso. and joint ventures	23	20
<b>(c) Other Non-Current Liabilities</b>	1	1	<b>Financial assets</b>		
	<b>6,188</b>	<b>1,027</b>	(I) Other Investments and financial assets	403	284
			Other non-current assets	54	51
				<b>1,754</b>	<b>1,836</b>
<b>Current Liabilities</b>			<b>Current Assets</b>		
<b>(a) Financial Liabilities</b>			(a) Inventories	2,173	2,056
(i) Borrowings	175	8,844	<b>(b) Financial assets</b>		
(ii) Lease Liabilities	12	10	(i) Trade receivables	1,190	1,365
(iii) Trade Payables	1,582	1,298	(ii) Cash and cash equivalents	263	58
(iv) Other financial liabilities	1,013	5,301	(iii) Bank Balances other than above	0	25
Contract Liabilities	405	258	(iv) Loans	21	22
Other cur. liabilities	88	129	(v) Other Financial Assets	176	109
Provisions	539	706	(c) Current tax asset, net	6	20
	<b>3,814</b>	<b>16,545</b>	(d) Other curr. assets (incl. held for sale)	1,019	1,040
				<b>4,847</b>	<b>4,695</b>
<b>Total Equity and Liabilities</b>	<b>6,601</b>	<b>6,530</b>	<b>Total Assets</b>	<b>6,601</b>	<b>6,530</b>

